Contracting for Depot Maintenance

PCO Seminar

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Introduction

- **New focus on the source of repair for depot maintenance.**
  - Secretary of the AF has signed a waiver in FY00 and FY01 stating that the AF can not comply with the law that requires not more that 50% of the dollars for depot maintenance workload to be contracted out.
  - SORAP decisions to perform workloads via contract are not reviewed.

Depot Maintenance Defined

- **Depot maintenance** means maintenance or repair requiring the overhaul, upgrading or rebuilding of parts, assemblies, or subassemblies and the testing and reclamation of equipment as necessary regardless of the source of funds for the maintenance repair. This includes **software** and hardware.

Depot Maintenance Terms

- **50/50 - USC Title 10, Section 2466** - establishes a 50 percent limitation on depot maintenance workload that may be preformed by private sources of repair.
- **Core – USC Title 10, Section 2464** – is organic depot maintenance capability required to assure a ready and controlled source of depot level maintenance to guarantee support for tasked weapon systems now and in the future. It is made up of government facilities, equipment and skills.
- **SORAP** – Source of Repair Assignment Process – procedure utilized to determine long-term system support (Source of Repair) as organic or contract.
  - Regulation – AFI 63-107, Attachment 3

Depot Maintenance Contracts

- All Contracts for Depot Maintenance Repair require approval.

- **Requirements:**
  - AFI 63-107, Attachment 3
  - AFMC/CC Memo, 28 Feb 01
  - WR-ALC/CD Memo, 5 Jul 01

Three Approval Types

- SORAP
- Workload Certification
- DMAG Contract Review Worksheet

SORAP Requirements

- **Permanent Depot Workload** - New depot level maintenance/repair workload or a permanent shift.
- **Contract Logistics Support** – Long-term logistics support performed by a contractor.
- **Interservice** - AF performed by another Service, major Command, or Government agency.
- **Modifications (Installation Only)** - Installation of new or upgraded system capability.

AFI 63-107
Attachment 3

Workload Certification

- **Workload Certification is typically required for a change in the projected budget.**
  - **Interim Contract Support**
  - **Contract Augmentee**
  - **Bridge/Contingency/Emergency Contract**
  - **Contractual Changes** - Any increases or decreases $500K or above (per year) in type or amount of workload on existing contract.

Workload Certification

- **The requirements activity identifies the requirement and sends requesting memo to WR-ALC/XP.**
- **Requesting memo shall include all know facts about the workload including a justification, mission impact, and the Organic Depot Concurrence.**

Workload Certification –cont'd

- **WR-ALC/CD Approval**
- ICS - under $100K per year
- Contract Augmentee - under $100K per year
- Bridge/Contingency contracts - under $100K per year

- **AFMC/LG Approval**
- ICS - $100K or above per year
- Contract Augmentee - $100K or above per year
- Bridge/Contingency contracts - $100K or above per year
- Contractual changes – greater than $500K per year

DMAG Contract Review

- DMAG Contract Review is required for all new contracting efforts for depot level maintenance/ repair workloads managed through DMAG.
- All new contracting efforts (excluding option exercises) shall be evaluated to confirm that the workload may be awarded on contract or indicate that a SORAP package is required.
- Evaluation typically should occur **18 to 24 months prior to renewals, extensions, and modifications** of contract to ensure that sufficient time is made available to accomplish the SORAP, if required.

DMAG Contract Review – cont'd

- DMAG Contract Review Worksheet is included in the WR-ALC/CD policy memo, 05 Jul 01. Worksheet includes:
  - Workload Description
  - Contract Value & Type
  - Program Issues /Constraints
  - Cost Comparison (Contract vs. Organic)
  - Candidate Depot Concurrence
  - Approval Official Concurrence

DMAG Contract Review –cont'd

- **Approval within Directorate**
  - Below $100K per year
- **WR-ALC/XPX Approval**
  - $100K to $250K per year
- **WR-ALC/CD Approval**
  - $250K to $500K per year
- **AFMC/LG Approval**
  - $500K and Greater per year

Conclusion

- This process is in place to ensure core and 50/50 requirements are met at the Air Force level.
- Plan ahead to minimize/eliminate delay in support to the customers.
- AFMC/LGPC is currently working on revised guidance to ensure all workloads are reviewed.

Depot Maintenance Issues

- Contact WR-ALC/XPXM for additional guidance
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